

Closed minutes moved to open 9/22/2014
Block Island Electric Energy Task Group
Block Island Police Station
Monday, December 3, 2007
2:00 p.m.

Present: Chair Thomas Cardello, Chris Warfel, and Everett Shorey. Absent were Barbara MacMullan and Michael Lofaro. William Penn and Peter Baute also attended. Fiona Fitzpatrick was present to take the minutes.

Dr. Cardello called the meeting to order at 2:10 p.m.

At 2:10, Dr. Cardello moved to enter closed session pursuant to Rhode Island General Laws 42-46-5(a)(5), and to invite Dr. Peter Baute and Mr. William Penn to participate. The motion was seconded by Mr. Shorey.

Ayes: 3 (Cardello, Shorey, Warfel) Nays: 0 Absent: 2 (MacMullan, Lofaro)

Review of Task Force Recommendations

Mr. Shorey presented the latest draft of recommendations for the Town Council. The group reviewed the draft and recommended changes.

The group continued their discussion of a potential land lease from the Power Company. In order to obtain financing, any lease must cover the term of a new operation's debt. A short term lease is good for a new entity planning to move the operation to Town owned lands, taking advantage of even cleaner, smaller and more efficient technologies as they are developed. Forty years is the useful life of the existing equipment. A short lease would also allow the new entity to soon move to Town owned land and stop making payments on the lease. Lease of the property will insulate a new operation from historic contamination. An action to remediate contamination could disrupt any operation on the property. Mr. Shorey suggested including a provision that BIPCo could, at their expense, move the new operation's equipment at any time. That would protect BIPCo's potential to develop the land, which the owners see as their economic windfall. The group talked about structuring lease payments in lieu of the annuity discussed at previous meetings.

In a discussion of the structure of the new entity, they acknowledged a coop/electric district would require state enabling legislation. A special purpose LLC with ratepayer and town representation on the board may be seen by the IRS as private activity from sales of electricity, not allowed by LLCs according to Mr. Penn. A for profit LLC would not have access to USDA or other funding sources available to municipalities.

Review of letter responses

There were no responses to review.

At 4:40, Dr. Cardello moved to adjourn the closed session minutes, seconded by Mr. Shorey.

Ayes: 3 (Cardello, Shorey, Warfel) Nays: 0 Absent: 2 (MacMullan, Lofaro)

Dr. Cardello reported no motions were made during the closed session. He moved to seal the minutes of the meeting. Motion seconded by Mr. Warfel.

Ayes: 3 (Cardello, Shorey, Warfel) Nays: 0 Absent: 2 (MacMullan, Lofaro)

At 4:41, Dr. Cardello moved to adjourn, seconded by Mr. Warfel.

Ayes: 3 (Cardello, Shorey, Warfel) Nays: 0 Absent: 2 (MacMullan, Lofaro)

Minutes submitted opened 9/22/2014

Fiona Fitzpatrick